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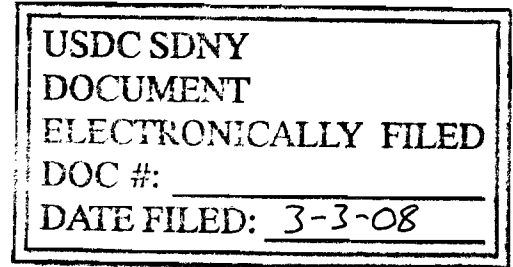
February 29, 2008

MEMO ENDORSED

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BY UPS NEXT DAY AIR AND ELECTRONIC FILING

The Honorable Richard M. Berman
United States District Court
Southern District of New York
500 Pearl Street
New York, New York 10007



Re: Nephty Cruz et al. v. Independent Testing Laboratories
Case Number: 07 CV 6394(RMB)(DFE)

Dear Judge Berman:

I represent the Defendant in the above matter. On July 12, 2007, Plaintiffs' Trustees of multi-employer benefit plans commenced this action for collection of allegedly due employee fringe benefit contributions and demanded an audit under ERISA. An Answer has been duly filed and this matter has been placed on the calendar for a pre-trial conference with Your Honor on a number of occasions. The last requested adjournment was granted by the court until March 4, 2008.

One of the claims in the Complaint was that the Funds sought an audit of my client's books and records. The audit was conducted in October 2007. Plaintiffs transmitted the audit findings to Defendant and my client timely rebutted the findings. Plaintiffs' accountants are currently reviewing the rebuttal submitted by my client. I received word from counsel for Plaintiffs that counsel is attempting to obtain more specific responses from the auditors to my letters of December 19, 2007 and January 11, 2008 objecting to their calculations.

In the meantime, Plaintiffs' original claim as a result of the audit was approximately \$35,000. After preliminary discussions, Plaintiffs have revised their claim downward to approximately \$25,000. Some progress is being made, but my client believes that the amounts owed, if any, are substantially below the amount claimed and has provided information to the auditors to support its contention.

Your Honor's Pre-Trial Order required the parties and the principals to appear before Your Honor on March 4, 2008. While it is sometimes appropriate for the principals to be present in court, I believe that step is premature since the parties are making progress on their own, without taking up the court's time.

